weekly economic review

June 28, 2013

Average Weekly Earnings

Earnings hold steady in April

Alberta's average weekly earnings were almost unchanged (+0.03%) in April, coming in at $1,098 per week. Earnings are 3.4% higher than the same month last year, reflecting gains in both the average number of hours worked per week and the average hourly wage rate. Goods producing industries led the gains with a 4.0% year-over-year increase in weekly earnings, compared to a 2.5% increase in service industries.

Nationally, average weekly earnings increased by 0.2% to $910 over March, and were 2.2% higher than March 2012.

Rigs Drilling

Drilling tracks downward

May marked a halt to eleven straight months of year-over-year declines in Alberta rigs drilling; however, June's rigs drilling numbers were again negative, dropping 17% over the same month last year. June represents the first month since August 2012 where rig counts are below their five year average.

Nationally, rigs drilling were down 21%, with the rig count also falling below the five year average.

Bankruptcies

Bankruptcies continue to fall

The number of consumers and businesses declaring bankruptcy is on a downward trend, a sign of Alberta's strong economy. Business bankruptcies in Alberta decreased on a year-over-year basis for the ninth consecutive month in April, falling by 25.0% to 15. Consumers are also seeing bankruptcies move lower, with bankruptcies falling year-over-year for the 30th consecutive month in April (-11.3%).

Conversely, at a national level both Canadian business (+8.7%) and consumer (+3.7%) bankruptcies were up year-over-year for the first time in seventeen months.

Canadian Real GDP by Industry

Growth slows in April

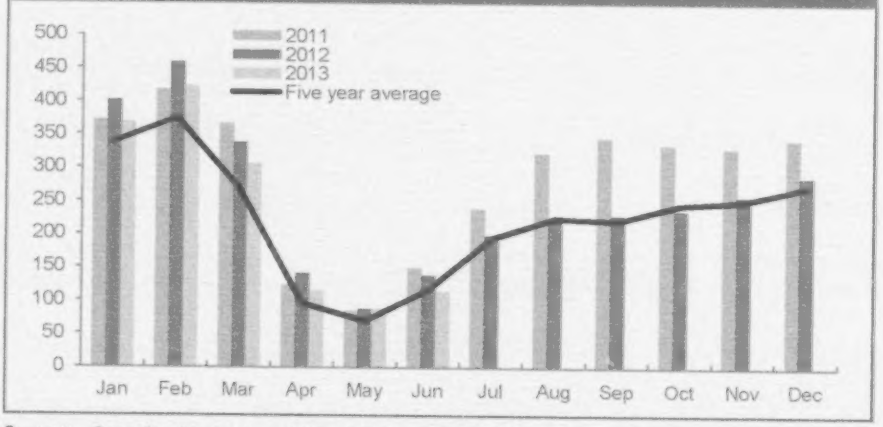
Canada's real GDP growth slowed to 0.1% in April from 0.2% in March, the fourth straight month of positive growth. A relatively broad-based 0.3% increase in the services was partially offset by a 0.3% decline in goods-producing industries. The drop in goods production was largely due to a 2.7% decline in the oil and gas extraction industry, reflecting a 5.9% drop in non-conventional oil extraction and a 0.6% dip in conventional oil and gas extraction.

US Housing Sector

Housing gains momentum

The Case-Schiller house price index increased by 1.7% in April after rising 1.9% in March. Both monthly increases are the largest since the series began in January 2000. April prices were 12% higher than a year earlier, the largest year-over-year increase in 7 years. The strength in prices is echoed in new home sales, which rose 2.1% in May and were up 29% over May 2012. The resurgence in the US housing market has supported gains in Alberta's forest product sector this year.

Alberta Rigs Drilling



Source: Canadian Association of Oilwell Drilling Contractors

Closing Price	June 20, 2013	June 27 , 2013	2013-14 Fiscal YTD
Canadian Dollar (US¢/$CAN)	96.27	95.42	97.79
WTI Oil ($US/bbl)	95.40	97.05	94.14
NYMEX Natural Gas($US/MMBtu)	3.89	3.58	3.96

Alberta Economic Indicators

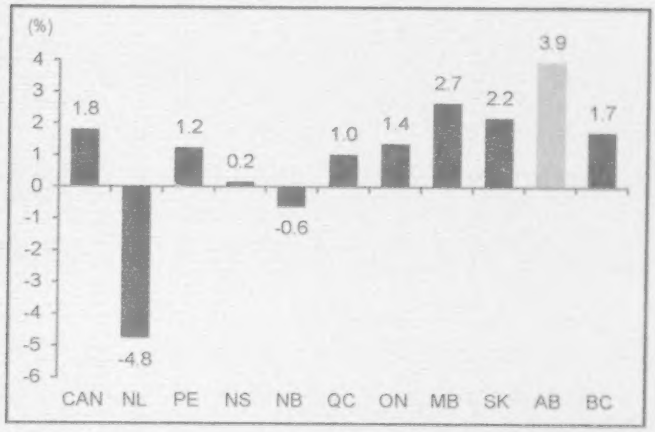
Population	2011	2012	2013YTD	Jan	Feb	Mar	Apr	May	June
Population (000's)	3,778	3,874	3,965	3,931	..	..	3,965	..	..
y/y % change	1.5	2.5	3.0	3.0	..	..	3.2	..	..
Net Interprovincial Migration[1]	8,443	28,170	38,886	11,533	..	..	13,438	..	..
Net International Migration[1]	16,703	37,090	30,779	6,296	..	..	13,674	..	..
Net Non-permanent Residents[1]	7,604	9,721	9,762	-1,133	..	..	6,949	..	..
Labour Market									
Employment (000's), SA	2,094	2,150	2,181	2,175	2,179	2,168	2,183	2,201	..
y/y % change	3.8	2.7	2.1	1.9	2.5	1.7	1.9	2.3	..
Unemployment Rate (%), SA	5.5	4.6	4.6	4.5	4.5	4.8	4.4	4.8	..
Participation Rate (%), SA	73.7	73.4	72.8	72.9	72.9	72.6	72.5	73.3	..
NEW: Average Weekly Earnings ($), SA	1,035.75	1,072.98	1,094.94	1,083.82	1,093.51	1098.08	1098.36	..	..
y/y % change	4.4	3.6	3.6	3.0	4.5	3.4	3.4	..	..
Price Indices									
Consumer Price Index (y/y % change)	2.4	1.1	1.0	0.5	0.9	1.2	1.3	2.3	..
Excluding food and energy	0.8	1.3	1.1	0.8	1.4	1.2	0.9	1.1	..
Non-Res Building Cons. Price Index[2] (y/y % change)	3.4	3.8	1.4	..	..	1.4	..	..	..
Farm Product Price Index (y/y % change)	17.7	6.4	4.6	4.1	5.2	4.4	..	..	..
Crops	18.7	6.5	9.3	8.7	9.8	9.3	..	..	..
Livestock	16.9	6.2	0.2	0.2	1.1	0.1	..	..	..
Household Sector									
Housing Starts (SAAR, 000's)	25.7	33.4	36.3	31.0	35.3	34.7	39.0	41.4	..
y/y % change	-5.1	29.9	8.8	18.3	10.4	1.9	-1.7	23.6	..
New Housing Price Index[2] (y/y % change)	0.4	1.3	2.4	2.2	2.6	2.4	2.5	..	..
Edmonton	0.9	0.9	0.7	0.9	1.0	0.6	0.4	..	..
Calgary	-0.1	1.7	4.1	3.3	4.3	4.3	4.7	..	..
MLS Average Resale Prices ($ 000's)	352.7	362.0	375.8	367.6	380.1	380.4	374.6	376.4	..
y/y % change	0.5	2.6	4.7	6.6	4.5	5.9	3.5	3.1	..
Edmonton ($ 000's)	324.2	332.7	343.1	337.6	344.0	348.9	345.5	339.5	..
y/y % change	0.7	2.6	3.0	1.6	2.8	5.4	2.8	2.3	..
Calgary ($ 000's)	401.9	410.8	427.9	422.5	436.7	433.9	420.4	426.7	..
y/y % change	1.1	2.2	6.2	12.4	5.7	6.3	3.8	3.3	..
Retail Sales, SA (y/y % change)	6.6	6.9	5.9	4.5	7.5	5.1	6.6	..	..
New Motor Vehicle Sales (y/y % change)	9.6	10.5	7.5	3.6	6.5	-0.1	19.7	..	..
NEW: Consumer Bankruptcies	7029	5759	1751	446	412	429	464	..	..
y/y % change	13.8	-18.1	-18.2	-13.7	-22.7	-24.5	-11.3	..	..
Business Sector									
NEW: Rigs Drilling	286	250	303	368	422	306	115	88	115
y/y % change	30.4	-12.6	9.5	-8.2	-8.1	-9.4	-18.2	0.0	17.3
Goods Exports, customs based (y/y % change)	18.4	1.8	1.5	1.3	2.0	1.5	1.4	..	..
Energy	19.2	2.1	1.6	1.0	3.9	0.7	0.9	..	..
Farm, Fishing and Intermediate Food	27.2	20.6	2.2	3.8	6.7	5.3	6.2	..	..
Farm Cash Receipts (quarterly, y/y % change)	16.7	14.1	9.3	..	..	9.3	..	..	..
Manufacturing Shipments, SA (y/y % change)	17.3	3.4	-2.9	-3.5	-1.0	3.2	-3.8	..	..
Wholesale Trade, SA (y/y % change)	14.7	10.9	2.9	3.1	6.4	2.6	-0.5	..	..
Building Permits, SA (y/y % change)	11.8	14.8	22.9	24.7	19.9	38.6	10.0	..	..
Residential	5.2	18.2	14.6	21.2	7.8	14.6	15.4	..	..
Non residential	20.9	10.7	33.5	30.6	36.1	72.1	5.0	..	..
NEW: Business Bankruptcies	264	230	51	10	14	12	15	..	..
y/y % change	-30.2	-12.9	-39.3	-50.0	-44.0	-36.8	-25.0	..	..

1 Quarterly; annual numbers are presented on a census year basis (July 1 – June 30)
2 Quarterly, average of Calgary and Edmonton
3 Average of Calgary and Edmonton
YTD (year-to-date) represents the change since the beginning of the year compared to the same period in the previous year. "SA" denotes seasonally adjusted. "SAAR" denotes seasonally adjusted at annual rate

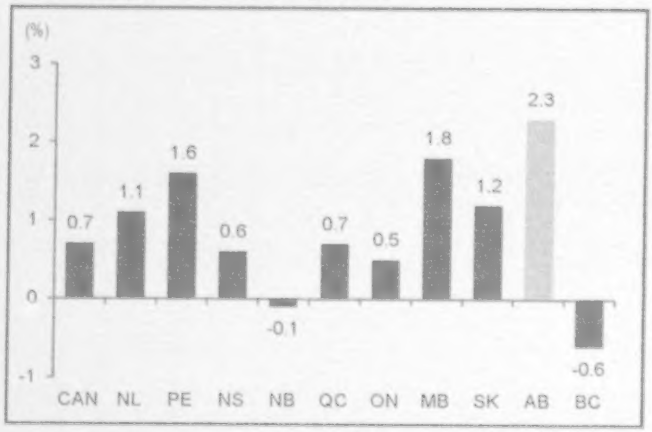
Sources: All data is from Statistics Canada except Housing Starts (Canada Mortgage and Housing Corporation), MLS Average Resale Prices (Canada Real Estate Association), Rigs Drilling (Canadian Association of Oilwell Drilling Contractors) and Bankruptcies (office of the superintendent of Bankruptcy Canada)

Economic Indicators by Province

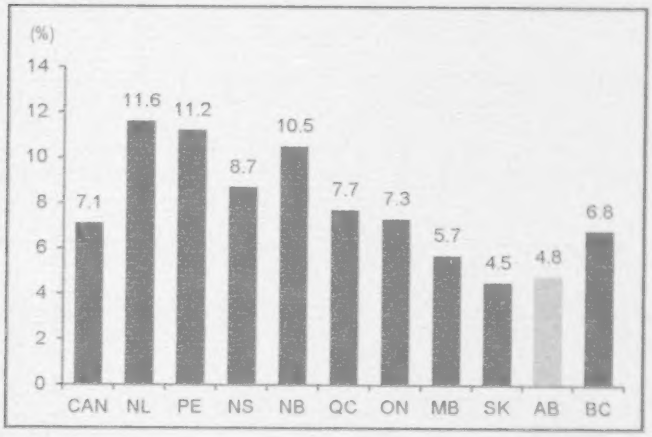
Real GDP by Industry
(2012, year-over-year growth)



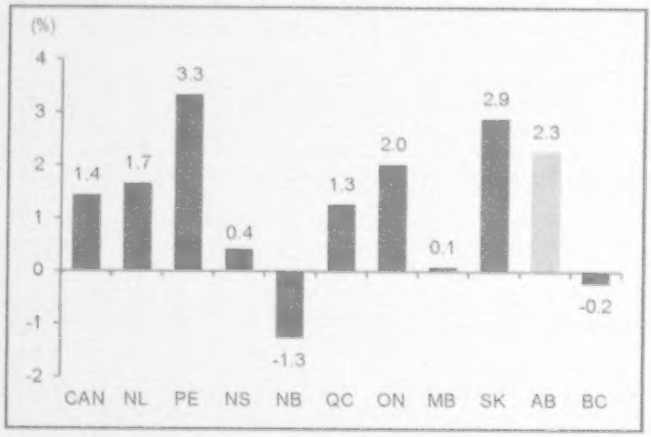
CPI Inflation
(May 2013, year-over-year growth)



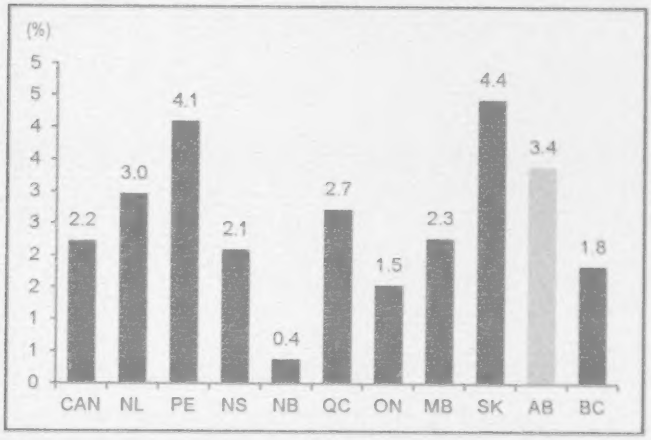
Unemployment Rate
(May 2013)



Employment
(May 2013, year-over-year growth)



Average Weekly Earnings
(April 2013, year-over-year growth)



Housing Starts
(May 2013, SAAR, year-over-year growth)